Secrt. II-27—100,000—21-5-52.

Development (1944) Department.

Mis. SERIES.

G.O. No. 4860

Dated 4.10.1947

[Despatch Abstract.]

Agri. - w.r.r. - Groundnut cake - Procurement and distribution - Improvement - Instructions - Papers recorded.

GOVERNMENT OF MADRAS
Development Department

D.O.No. 77960 A.111/47-5, dated 10-10-1947.

My Dear Sivaraman,

Sub: Agriculture - Grow More Food - Groundnut cake - Procurement and Distribution - Blackmarketing by mills etc.
Ref: Your letter No. G.3.893/47, dated 23-9-47.

In your letter you have tried to show that the accumulation of stocks of groundnut cake with the mills has not led to blackmarketing of illicit sales on the part of millers on any extensive scale and that it is not true that nearly half of the production in the mills is not estimated and therefore not procured by the Department. You have, however, stated that it cannot be denied that there is at present no simple method of checking the stock of cake in the mills. You have also stated that if Government could insist on the Railway authorities to supply wagons for the cake, the accumulation in the mills would be eased considerably. The Government are not quite sure that there are no illicit sales and that the position is so free from dubt as not to require the vigilance and ~~enquiry~~ action of the Agricultural Department. In any case, the Governmenment insist on the correct ascertainment of the production of the mills, the speedy procurement of stocks and payment to the mills and the speedy movement from the mills either to departmental godowns or to depots in the areas of consumption. As regards the procurement of wagons, the Government can only make general requests to the Railway authorities to assist you; but it is for you and for your subordinate officers to present concrete demands for wagons from time to time. I am to request you to make as often as necessary, personal contacts with the Railway authorities and to get your staff in the districts to get rid of their lethargy and get things done quickly by moving about and making personal contacts rather than by entering into endless correspondence. In a matter like this, if there is speed, there will be no time left for blackmarketing or mal-practices and the tendency for the mills will be to increase production and turn-over and be satisfied with even slightly smaller profits. The Government observe that you are taking action to get correct returns from the mills and to have the accounts of the millers checked more frequently. It is hoped that this would be done rigorously. You have not suggested however any means to overcome the storage difficulties to which you have referred. If there is brisk movement of stocks, the magnitude of this problem can be considerably diminished. In any case, it is for you to review the storage accommodation in each district and to come to concrete conclusions, and not be satisfied with the vague difficulty of shortage of storage, which subordinate officers can conveniently raise to cover their lack of prompt action.

2. Your proposals for additional staff are being dealt with separately and orders will be issued as soon as possible.

Yours sincerely,
Sd. x x /10-10.

To
Mri M.S.Sivaraman, I.A.S,
Director of Agriculture.

p.t.o.

NOTE FILE — Development Department.

This file deals with the measures taken or proposed to be taken for improving the procurement and distribution of groundnut cake. The D.A. has pointed out three major difficulties.

Item (1): Additional staff: Necessary extracts have been taken from this file and action is being separately.

ITEM (2): CHECK OVER MILLS. STORAGE DIFFICULTIES:- The D.A. has not suggested measures to overcome the storage difficulties. It should be possible for the Dept. to store the cake procured in special godowns rented for the purpose. For orders whether the D.A. may be informed that he should make arrangements for the necessary storage and that purchase of cake from themills should not be delayed on that account.

ITEM (3): TRANSPORT FACILITIES: In regard to wagon supplies the Govt. recently had a discussion with the railway authorities. In pursuance of that discussion, the D.A. has sent to the Railways a programme for the movement of groundnut cake. He has also been asked to submit to Govt. a fortnightly report of the movement of groundnut oil cake on the 10th and 25th of each month It is also proposed to address the Govt. of India to raise the priority from class 2(c) 4 to class 1 (b). A report in this connection is awaited from the C.C.S. In the circumstances no action seems necessary on this point in this file.

The papers may be recorded after issue of the instructions to the D.A. on the points raised.

Abstract:
Agri.G.M.F.-Groundnut Cake - Procurement & Distribution - Improvements - Instructions - Papers recorded.

The D.A's letter covers two points, namely:-

(i) Defective estimating and procurement of the production of oil-cake in the mills; and
(ii) Transport facilities for distribution.

POINT (i) ABOVE: We pointed out to the D.A. that the production of the mills is not correctly estimated and that nearly half the production is not procured at all, and that there is evidence of black-marketing and illicit sales by the mills because the Dept. does not take over all the stocks produced or even clear quickly stocks actually taken over. In paras 2 to 11 of his letter, the D.A has been at great pains though not, I think, very convincingly, to show that the production of mills is correctly estimated and procured by the Dept., that the accumulation of uncleared stocks has not led to illicit sales on any extensive scale and that the cases of black-marketing about which so much is heard relate generally to sales by ryots or tenants. He has also raised the question of storage difficulties but has not suggested any measures to overcome it. He accepts that it cannot be denied that there is no method of checking the stocks in the mills, but he is not in favour of the suggestion that a Departmental officer may be attached to each mill to keep a check on the stocks and speed up movement. He considers that the appointment of the staff will only add to the burden of the ryot by increasing the price of the cake without any great advantages. He has, however, followed the instructions given by us to tighten up the scrutiny of the returns submitted by the mills, to institute more checks and inspections of the mills and their accounts and to seek the cooperation of the Police, 'X' Branch, to tackle mal-practices. He has suggested the appointment of a Special Officer for Manures with head-quarters at Guntur and an extra Marketing Assistant for each of the districts, Guntur, Kurnool and Anantapur. This proposal is being examined in a separate file and will be put up for orders. On the general question, we may leave the D.A. to his own line of action and judge by the results. We may, however, tell him in general terms that the Government will insist on procurement

Hurry up, please.
Sd. x x

p.t.o.

being speeded up and payments to the mills being prompt so that production may tend to increase. In a matter like this, if there is speed there will be no time left for black-marketing and the tendency for the mills will be to increase production and turn-over and to be satisfied with even slightly smaller profits.

POINT (ii) ABOVE: (TRANSPORT FACILITIES FOR DISTRIBUTION):
Action has already been taken with the Railway authorities as stated in the Office note at p.9-10 above.

Sd. x x/6-10-47.

We may insist on speedy procurement, speedy requirements and speedy movement. We may suggest that in matter of movement, D.A. should as often as necessary, make PERSONAL contacts with Railway authorities. We may point out that D.A. should get his staff in districts to get rid of the lethargy for which they have gained a reputation, and to get things done quickly by moving about and making personal contacts rather than by entering into endless correspondence.

Sd. x x/7-10. H.M.(Agri.) Sd. x x/6-10.

TO A.S.

Orders on p. 11 ante. A draft D.O. to the D.A. is submitted for approval. After issue the papers may be recorded.

Sd. x x/10-10. Sd. x x/10-10.

/Issued as D.O.letter No.77960.AIII/47-5,dt.10-10-47./

G.O.Ms.No.4860, dt. 14-10-1947.

Agriculture - Grow More Food - Groundnut cake - Procurement and distribution - Improvement - Instructions - Papers recorded.

/True copy/ S. Jayaraman

Office Assistant.
Madras Record Office.

PHR. 30-12-53.